



Acquisition Reform



**** Update ****

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TOOLS, AR & THE ACQUISITION WORKFORCE

The sole customer for the "Update" is you, the worker in DON acquisition. Acquisition Reform will impact the entire spectrum of the acquisition process and you can expect many changes in "business as usual". To get the acquisition and standards reform job done, we need a forum where we can share lessons learned, discuss our problems, celebrate our successes, and generally "get the word out".

Please talk to us! What areas of acquisition and standards reform do you want to hear about? What areas do you find confusing? If you have something to share, let us know. Call or visit Bill McAninch at (703)602-2390, CP #5, Rm 536, Crystal City, VA. Send your fax to (703) 602-2117. Send electronic mail to internet ID mcaninch-william@hq.secnv.navy.mil. Help make the Update a useful tool in the Acquisition Reform process. Thanks for your help.

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DEFENSE MFG. COUNCIL

(DMC) OFFSITE MEETING

The DMC was chartered earlier this year to develop an integrated DoD strategy for acquiring affordable weapons systems that meet essential performance requirements. The DMC focuses on issues that cut across DoD initiatives in technology, acquisition reform, defense system acquisition, environmental security, logistics, and industrial base policy. Mr. Noel Longuemare, the Principal Deputy Under Secretary of Defense for Acquisition and Technology, chairs the DMC which has representation from throughout DOD.

The DMC held an off-site meeting on November 18 & 19 which was attended by Dr. Paul Kaminski, the Under Secretary of Defense for Acquisition and Technology, SAE's, PEOs/PMs from the Services, and various industry leaders. The meeting focused on four key areas:

- o Cost as an independent variable
- o Process maturation and sector benchmarking
- o Pilots as agents of change
- o Incentives for cost reduction.

The DMC is preparing implementation plans for initiatives in these four areas and will review these plans in December.

In his keynote address at the Defense Manufacturing Conference ten days later, Mr. Longuemare stated how successful the meeting had been, and discussed five critical "Paradigm Shifts" that were identified:

- o From regulation/enforcement, to across-the-board incentives.
- o From product emphasis, to front-end emphasis on manufacturing technology, manufacturability and supportability.
- o From Defense acquisition decisions made in

- o organizational isolation, to an integrated product team (IPT) approach.
- o From performance focus, to a balanced approach, achieved through tradeoffs, using "cost of performance" as a primary decision parameter.
- o Rapidly, from the current acquisition approach, to innovative, tailored, streamlined programs using "pilot-like" mechanisms as agents of change.

The way we approach Defense manufacturing is a major part of how we are reengineering the way we do business at the Pentagon, Mr. Longuemare emphasized. We are using the word "manufacturing" in a different way. This is capital "M" manufacturing. It means all the processes, technical and business, used to develop and produce a product; not just factory floor assembly. Its essence is integrating design, manufacturing and supportability.

DoD is changing the way it does business. Priorities are being shifted to place more emphasis on producibility at the front end of programs, as well as changing the procedures to eliminate non-value added functions by using advanced process control and intelligent metrics. Every new program or update/modification brought up for a decision shall take active steps to ensure that maximum advantage is made of the processes' inherent flexibility to tailor acquisition strategies to specific program needs. Use of IPTs is being encouraged to give PEO's and program managers greater responsibility and authority.

"Probably the single most important requirement is to institutionalize the spirit of change throughout the permanent workforce, especially down at the action level," stated Mr. Longuemare. "Our game plan is aimed at pushing these changes down to the lowest levels of the organization as rapidly as possible. This is one of the primary reasons for forming the Defense Manufacturing Council -- to accelerate this process."

SPAWAR AND NDI/COTS

In 1992, the Space and Naval Warfare Systems Command (SPAWAR) communications directorate launched an aggressive market investigation regarding the applicability to naval communications of non-developmental items (NDIs),

including commercial-off-the-shelf (COTS) end-items. The results of that investigation, and the recent emphasis on non-government standards and performance-based equipment specifications, have paid dividends in SPAWAR's satellite communications (SATCOM) acquisition management with:

- o The rapid fielding in 1993 of a prototype, commercial technology, Super High Frequency (SHF), Fly-Away Terminals (FAST), SATCOM terminal for flagships in COMNAVCENT.
- o The modification, with NDI components, of current production shipboard SHF SATCOM terminals;
- o A streamlined NDI solicitation in 1994 for the next standard shipboard SHF SATCOM terminal; and
- o Accelerated acquisition planning for a next generation, NDI, Ultra High Frequency (UHF) shipboard SATCOM terminal.

Besides acquisition of FAST, NDI modification of production SHF SATCOM terminals, and the ongoing acquisition activity for future NDI SHF and UHF SATCOM terminals, SPAWAR has also used NDI/COTS to:

- o Field 250 commercial INMARSAT SATCOM terminals throughout the fleet,
- o Investigate the application of commercial multi-band SATCOM technology to the shipboard environment, and
- o Pursue a prototype FAST II terminal, building on the lessons of the original FAST products.

The world commercial marketplace has become the primary SATCOM technology customer, and the electronics industry tends to respond quickly to its primary customer's needs. SPAWAR intends to leverage that industry orientation to the Navy's benefit in timeliness, cost savings, use of advanced technology, and overall best value for fleet communications.

For additional information, contact CAPT

Ken Slaght, PMW 176 at (703) 602-3950 or Ken Ota, PMW 176-2 at (703) 602-7479.

AUTOMATED TOOLS FOR PROGRAM MANAGERS PART-4

SEA 91W5 is using an expert system called CRIB (Computer Resources Information Base) to make finding the right piece of non-developmental item (NDI) or commercial-off-the-shelf (COTS) equipment much easier. Using industry inputs, SEA 91W5 developed a database to track over 1000 computer related NDI/COTS items. Currently the data base can provide expert assistance only at the component level, however by late Spring 1995, SEA 91W5 expects CRIB to be operational at the system level. CRIB makes use of three labs to test listed equipment to ensure that the equipment in the CRIB perform "as advertised" by the vendor.

The CRIB's point of contact is John Lussier, NAVSEA 91W51F, (703)602-8204 x226.

T-SHIPS EXPERIENCED IN COMMERCIAL ARENA

Now that we are looking for commercial world examples to do things quicker and cheaper, many of us are asking "HOW" and wondering what is different playing by the new rules. PMS 325, the program office responsible for the acquisition of Navy "T" ships and commercial ships for Military Sealift Command (MSC) and the Office of Naval Research (ONR), lives with the term "best commercial marine practices" and has been using this means in their ship acquisitions for years. They know about Coast Guard (CG) regulations and American Bureau of Shipping (ABS) requirements, and how they impact their ship procurements.

PMS 325 is also an expert in the use of performance specifications and tailoring. The AGOR 21/22, 23/24 and T-AGS 60 were all procured using a Circular of Requirements (COR). COR's contain performance requirements and are flexible enough to allow the shipbuilder to develop his own solutions. Usually the shipbuilder is responsible for selecting all machinery, equipment, electronics and auxiliary equipment, etc.; except where a unique requirement has been identified and justified, and the solicitation requires a particular system or piece of equipment by Model

Number/Brand Name "or equal".

While PMS 325 has successfully used commercial specifications, systems and equipment in their shipbuilding programs to save both time and money, they offer one word of advice: Using commercial specifications in lieu of Military Specifications and Standards does not mean all unnecessary requirements have been eliminated. Program offices can also over-specify using commercial requirements in the same way they did using military requirements documents in the past. Keep in mind that commercial specifications may need to be tailored too.

If you have any questions on using Coast Guard or ABS requirements or want to know more on the "T" ships, using CORs and other commercial based acquisition questions, go to the people who have "been there, done that". Give Don Robertson a call in NAVSEA PMS 325 at (703)602-3510.

SPECS & STANDARDS STRAIGHT-TALK From the DEPSO

News from the SPECS & STDS front in December:

- o The overall DoD POA&M for specifications and standards improvement was issued in December.
- o The DON Standards Improvement Program Plan was approved and signed out on 21 December and contains the Department's approach for implementing specifications and standards reform.

Any comments, questions or requests for further information on the DON Standards Improvement Program may be addressed to the DON DEPSO, CDR Bob Petroka, (703)602-2389.

YOU, AR & OUR ACQUISITION OMBUDSMAN

Unlike the Maytag repairman, we will probably never have a perfect, fault-free product for you. That is why we have and need the Acquisition Ombudsman (AO). Acquisition Reform initiatives continue to come fast and furious, resulting in more than a little confusion in the DON Acquisition

Workforce. Many of the issues resulting from these initiatives appear difficult, if not impossible, to implement when first encountered. As you gain experience in these new ways of doing business, the acquisition reform changes that are so strange and different now will become the new "business as usual". The AO is here to help you through this transition from our old way of doing business to the new ways resulting from acquisition reform. The AO is available for consultation on acquisition reform issues and how they impact you and your program. Contact the AO, CDR Dave McDonald at (703)602-2851 or via internet at "mcdonald-dave@hq.secnv.navy.mil".

NDI, NEW PARADIGM OR "OLD STUFF"

- o The Close-in-Weapon-System (CIWS) installed on many of our ships, uses an Air Force "Gatling Gun" which was originally developed for the A-10, Warthog, ground support aircraft.
- o The NATO Sea Sparrow missile is based on the Air-to-Air Sparrow, adapted for shipboard use.
- o The MK92 Fire Control System was originally a Dutch Design.
- o The MK75 76-MM Gun Mount was an Italian Design.
- o The Sea Gnat system being procured by PEO (TAD) is a British system based on the NATO Sea Gnat.
- o The NULKA system also being procured by PEO (TAD) is a joint United States - Australian program.

Non-Developmental Items (NDI) have been used by DON Program Managers when such opportunities existed and were identified. This is where knowledge and experience in the Naval acquisition process gave these programs the cost and schedule advantages necessary for success.